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**EXHIBIT B**



GLOBAL PROCUREMENT



## **AGENDA**

### **Current OSC Status**

- OSC Realignment By Commodity
- Current OSC Activity
  - Overview of Support
  - Measurements
  - Initiatives
- Current Roles and Responsibilities
- Current Options By Commodity

### **Proposed OSC Commodity Management**

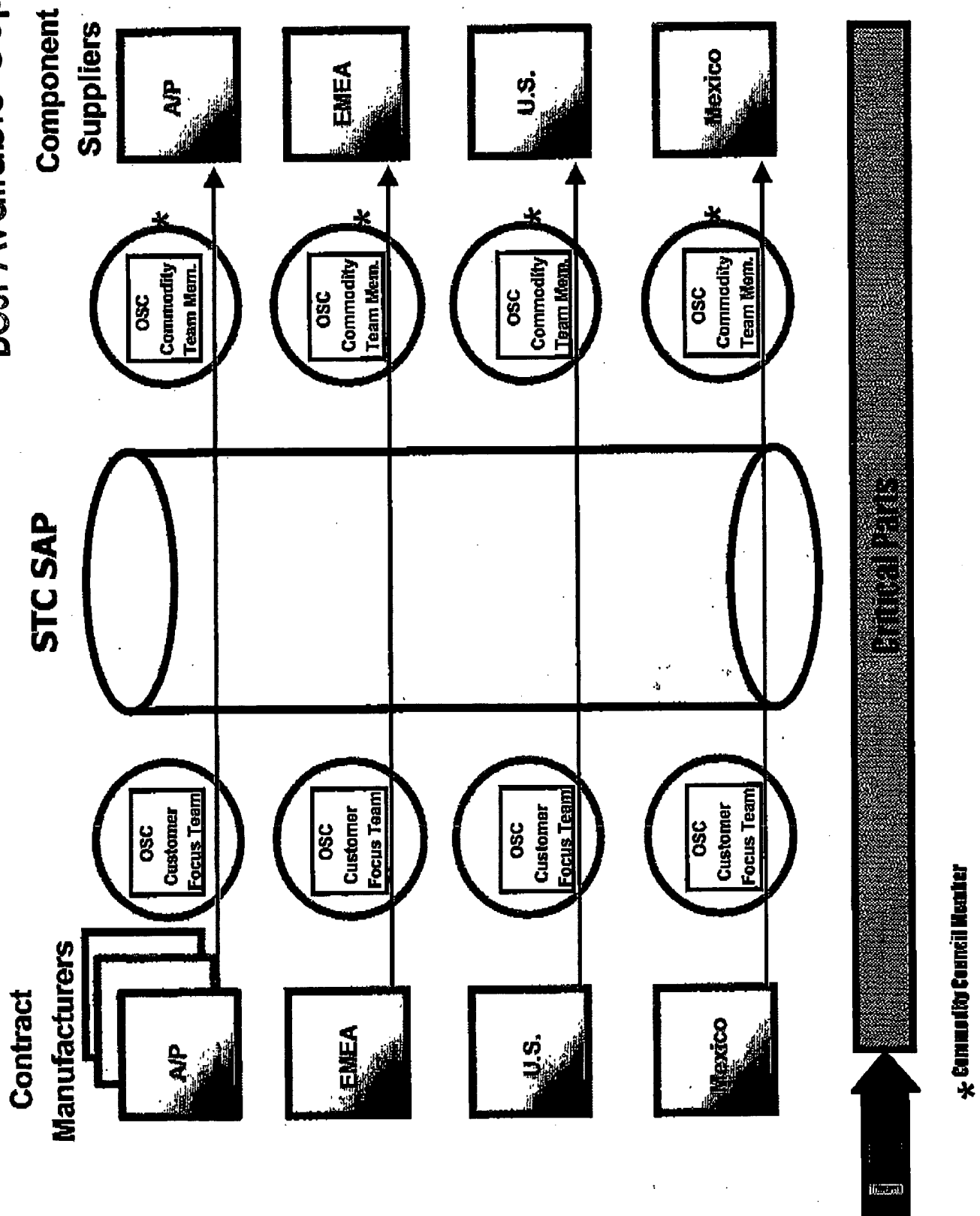
- Goals
- Proposed Options
- Proposed Roles And Responsibilities
- Proposed Options By Commodity
- CM's Supported By Buy/Sell

### **Transition**

- Required Activities
- Schedule

OSC Sheet

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## OSC Contract Manufacturer Focal Points

CM	US	EMEA	A/P	MEXICO
CELESTICA	Chad Alarie	Francois Cuisset Corinne Thomas	Jacob Yeo	GABRIEL HERNANDEZ
SOLECIRON	Julie McCaffrey	Eric Tiffon Albon Donon	David Seah	ALFONSO GUTIERREZ
NATSTEEL	N/A	N/A	Foong Peng Lai	CHRISTIAN AVILA
USI	N/A	Bernard Girard	Crystal Lam	CHRISTIAN AVILA
SCI	Rich Whalen	Eric Tiffon Albon Donon	N/A	ROBERTO FLORES

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## OSC Metrics

- Global
  - Revenue
  - Cost Of Operation
  - e-Procurement Savings
- By Geo/CM
  - Order TAT
  - Aged Open/Uncommitted Orders
  - Back Order
  - Serviceability (On Time Delivery)
  - Aged A/R
  - Invoice Referrals
  - Inventory (Should Be 0)
  - Order Book Accuracy
  - # Of Gap Orders
  - e-transaction %

OSC Stmt



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## **Current OSC Initiatives**

- Drop Ship Within Europe
- e-transactions For CM's And Suppliers For STC
- Consolidated Order Book Visibility
- Automated CM/OSC Order Book Reconciliation
- STC Process Improvements
- Guad Process Improvements
- Customer Focus Teams
- Commodity Realignment
  - Stronger Commodity Role
  - No Longer Pure Admin Pass-thru
- Web based DCF File for Daily Updates on Price, Leadtimes, etc.
- Cross-Geo OSC Knowledge Building
  - Commodity Expertise
  - OSC Processes

OSC Strat

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## CM/IBM Responsibility Summary

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Activity	CM Direct Buy	LOA	LOA with LTA	Buy-Sell Financial	Buy-Sell IBM Ctrial
<b>PO</b>					
CM Design Input	CM Design for Mfg and Supply	Same	Same	Same	Same
Technology / Product Roadmap	IBM Dsgn for Mfg, Supply & Funct	Same	Same	Same	Same
Part Number Release	CM - ECAT process capability	Same	Same	Same	Same
EOL / PCN	IBM - Define/publish for comp	Same	Same	Same	Same
	IBM	Same	Same	Same	Same
	IBM owns/ CM execute	Same	Same	Same	Same
<b>Commodity / Supplier Mgmt for Components</b>					
Market Intelligence	IBM owns/CM Input to IBM	Same	Same	Same	Same
Define AVL	IBM owns/CM suggest alternates	Same	Same	Same	Same
Magellan/Price	CM	IBM	IBM	IBM	IBM
Component Sourcing Direction and Spills	CM	IBM	IBM	IBM	IBM
Component PO TSSC's (Cancel/Reached/Pay terms)	CM	CM	CM/IBM	IBM	IBM
Strategic Supply Forecasting/Capacity Assessment (2 year outlook)	CM	CM	CM	IBM	IBM
Supply Capacity Reservation / Long Term Agreements	CM	CM	IBM	IBM	IBM
Component Supplier Qualification	IBM Owns	Same	Same	Same	Same
Supplier Report Cards	CM support/assistance	Same	Same	Same	Same
Component Cost Talkdowns	CM	IBM w/ CM input	IBM w/ CM Input	IBM w/ CM Input	IBM w/ CM Input
Quality - Line Pull Out	CM	IBM	IBM	IBM	IBM
Quality - 1st Pass Failure Analysis	CM	Same	Same	Same	Same
	CM	Same	Same	Same	Same
<b>Component Demand / Supply Planning</b>					
Component Execution Forecasting (13-26+ wks)	CM	CM	CM, copy to IBM	CM, copy to IBM	IBM
Supply Demand Shortfall reconciliation	CM Owns	CM Owns	CM Owns	CM 1st level	IBM
	IBM final assist	IBM final assist	IBM final assist	IBM 2nd level	
<b>Component Execution</b>					
Purchase Order Placement	CM	CM, copy to IBM	CM, copy to IBM	CM to OSC	CM to OSC
Purchase Order Confirmation	CM commit card w/ supp commits	Same	Same	OSC to Supp	OSC to Supp
Replenishment (Is & Os, Forecast and Pulls)	CM	Same	Same	Same (w/ OSC commits)	Same (w/ OSC commits)
Positions Performed	CM	IBM	IBM	Same	Same
Print Expediting	CM	CM	CM	IBM	IBM
				CM IBM assist	

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